

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7962

BILL NUMBER: SB 377

DATE PREPARED: Feb 27, 2001

BILL AMENDED: Feb 26, 2001

SUBJECT: Barrett Law funding for septic systems.

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FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: Local

Summary of Legislation: (Amended) This bill establishes a system for county funding of private septic systems and other private sewage disposal systems.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: A works board of the county may construct a private sewage disposal system on land owned by a private entity if (1) the owner of the land has applied to the works board for construction of a system that the works board determines is appropriate for the sewage disposal needs of the location; (2) the owner of the land has supplied in the application to the works board sufficient information to prepare a preliminary resolution to approve construction of the system; (3) the works board has adopted a preliminary resolution approving construction of the system; and (4) the works board has adopted and placed on file cross-sections, general plans, specifications, and an estimate of the cost.

The costs to be paid by special assessment may not include salaries and expenses of the necessary and regularly employed personnel of the engineering department of the county or ordinary operating costs of the works board. If the works board determines that it is necessary to employ additional engineering services for construction of a particular system, the works board may include the costs of the additional services in the assessment. The works board may also include the incidental, inspection, and engineering costs that are authorized by the preliminary resolution and included in the estimate.

The county must provide notice of a hearing on the preliminary resolution approving construction of the system. At least ten days before the hearing, the engineer of the county must file with the works board an estimate of the

maximum cost of construction of the system. A county may not enter into a contract under the preliminary resolution if the contract exceeds the engineer's estimate.

At the hearing, the works board must determine the assessment against the property on which the system is constructed. If the works board finds that the benefits will not equal the maximum estimated cost of construction, the board must take no further action. However, the works board must levy special assessments if the contract for construction of the system is executed. The special assessments may not exceed the cost of construction of the system.

If the works board finally orders construction of a system, the works board shall advertise for bids and perform the work. If repairs to a system become necessary, the county must give written notice to the contractor to make the repairs. If the contractor fails to begin the repairs not later than 30 days after the notice is received, the county may make repairs using the county's own employees or an independent contractor or recover from the contractor the reasonable cost of the repairs.

Immediately after the assessment roll is filed, the works board must notify in writing the owner of the property of the assessment amount; that the basis of the assessment may be inspected at the works board's office; and the time and date before which an objection must be filed with the works board. If an objection is filed, the works board must set a hearing. After the hearing, the works board must sustain or modify the assessment. When the assessment is completed, the works board must deliver the assessment to the county assessor. The works board must also deliver a certified copy of the completed assessment to the county auditor.

Upon receipt of the primary assessment, the county auditor must by mail notify the affected person of the amount of the assessment. The amount is due not later than thirty days after the approval of the assessment by the works board. A person may pay the assessment by installments in 20 equal semiannual installments with the specified interest.

The payment agreement for the assessment must be filed in the office of the county auditor. If a property owner elects to pay the property owner's assessments in installments, the assessment must be collected in the same manner as other taxes.

The county auditor must receive the payments and keep all accounts and give proper vouchers for the payment of assessment installments. Proceeds arising from assessments for the payment of a particular system may not be diverted to the payment of another system. The proceeds from assessments for the payment of a particular system constitute a separate special fund.

Failure to pay an installment of principal or interest when the installment is due makes all installments of principal yet unpaid due and payable. The county must collect delinquent installments as delinquent taxes are collected.

The overall impact of this proposal will depend on local action and the number and nature of private sewage disposal systems installed. Barrett bonds are paid from special assessments levied against the property to be benefitted by the improvement. This bill would not affect local property tax levies.

Explanation of Local Revenues: Counties may collect special assessments to pay for the installation of private septic systems and other sewage disposal systems.

State Agencies Affected:

Local Agencies Affected: Counties.

Information Sources: